

*Bill Would Extend Assistance during Holiday Season*

November 18, 2010

Media, Pa. – With about two million Americans who are looking for work facing an end to their unemployment benefits during the holidays of the next two months, Congressman Joe Sestak (PA-07) voted for a temporary extension of assistance today. Brought up under suspension of the rules, the bill failed to garner the necessary two-thirds supports, with a final count of 258-154 in favor of passage. The Emergency Unemployment Compensation Continuation Act would allow workers to receive a minimum level of support as they deal with a difficult job market, and boost the recovering economy.

“People are hurting and for millions of Americans who would otherwise see their assistance expire over the holiday season, passage of this legislation is necessary,” said Congressman Sestak. “I am disappointed that this version of the bill does not include specific measures to cover its cost; however if we don’t act, it will actually reduce our economic growth and make it even harder for Americans to conduct a job search in addition to all the obstacles they already face.”

The Congressman proposed closing corporate tax loopholes like tax credits for oil production as the industry makes record profits as one way to offset the cost of this legislation.

Specifically, this legislation would provide an additional 26 weeks, for a total of 52 weeks, of unemployment insurance for laid-off workers until the end of February 2011. With the current extension expiring on November 30, anyone laid off in the past six months who would not have yet reached 26 weeks of benefits would see their assistance end after the first 26 weeks.

According to the Department of Labor, 1.98 million workers nationwide will lose benefits by January 1, 2011. By the end of February 2011, over 4.4 million workers will lose benefits.

With the average benefit of \$303 per week (about 70 percent of the poverty line for a family of four), this assistance provides a minimal safeguard against being unable to take care of one's family while looking for work. Since the system's founding 75 years ago, Congress has never ended an emergency unemployment program with the national unemployment rate above 7.4 percent. It is now above nine percent and there are about five jobseekers for every opening.

Furthermore, multiple studies have shown this extension is important for our overall economic recovery:

A Department of Labor analysis by economist Wayne Vroman found that UI benefits boost economic activity by two dollars for every dollar spent in 2009, reducing the fall in Gross Domestic Product (GDP) by 18.3% (\$175 billion) in 2009.

Goldman Sachs has estimated that if the extensions were allowed to expire it would reduce economic growth by half a percentage point.

Nomura Securities International has estimated that allowing the extensions to expire would reduce GDP by \$14.1 billion, or almost half a percentage point of growth (annualized).

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in

Afghanistan and Iraq. After 9/11, Joe was the first Director of “Deep Blue,” the Navy’s anti-terrorism unit that established strategic and operations policies for the “Global War on Terrorism.” He served as President Clinton’s Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. Congress.

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